

## Part III

### Administrative, Procedural, and Miscellaneous

26 CFR 145.4051-1: Imposition of tax on heavy trucks and trailers sold at retail.  
(Also Part I, § 4051.)

Rev. Proc. 2005-19

#### SECTION 1. PURPOSE

To minimize disputes regarding the determination of whether a truck body satisfies the weight-based exclusion provided in § 4051(a)(2) of the Internal Revenue Code, the Service, as a matter of administrative convenience, has established certain body type classification safe harbors.

#### SECTION 2. BACKGROUND

.01 In General. Section 4051(a)(1) imposes a tax on the first retail sale of certain enumerated articles including automobile truck chassis and bodies and truck trailer and semitrailer chassis and bodies. Section 4051(a)(2) provides an

exclusion from the tax imposed by § 4051(a)(1) for truck chassis and bodies suitable for use with a vehicle that has a gross vehicle weight (GVW) of 33,000 pounds or less. Similarly, § 4051(a)(3) provides an exclusion for truck trailer and semitrailer chassis and bodies suitable for use with a trailer or semitrailer that has a GVW of 26,000 pounds or less.

Section 145.4051-1(a)(4) of the Temporary Excise Tax Regulations Under the Highway Revenue Act of 1982 (Pub. L. 97-424) provides the following rules for determining whether automobile truck chassis and bodies are suitable for use with a vehicle which has a gross vehicle weight of 33,000 pounds or less and whether truck trailer or semitrailer chassis and bodies are suitable for use with a trailer or semitrailer which has a gross vehicle weight of 26,000 pounds or less. The term "suitable for use" is defined as practical and commercial fitness for such use. In addition, a chassis or body possesses practical fitness for use with a vehicle if it performs its intended function up to a generally acceptable standard of efficiency with the vehicle, and a chassis or body possesses commercial fitness for use with a vehicle if it is generally available for use with the vehicle at a price that is reasonably competitive with other articles that may be used for the same purpose. Thus, a truck chassis which is suitable for use with a vehicle having a gross vehicle weight of 33,000 pounds or less, is not subject to the tax imposed by § 4051(a)(1) regardless of the body actually mounted thereon. If an exempt body is mounted on a taxable chassis (or a taxable body is mounted on an exempt chassis) and the resulting vehicle is a highway vehicle as defined in § 48.4061(a)-1 of the Manufacturers and Retailers Excise Tax Regulations, the

taxable chassis or body, as the case may be, nevertheless remains subject to such tax.

Under §145.4051-1(e)(3)(ii), a seller of a completed chassis, body, or vehicle must establish a weight rating for each article sold. Since the weight rating of the chassis and the GVW of a completed vehicle would normally be the same, a truck chassis seller is aided in establishing a weight rating for a chassis by the guidelines set forth in §145.4051-1(e)(3)(v). Section 145.4051-1(e)(3)(v) generally defines GVW as the maximum total weight of a loaded vehicle.

.02 Reason for Revenue Procedure. Section 145.4051-1(e)(3)(v) simplifies sellers' determinations of whether chassis meet the "suitable for use" standard for a weight-based exclusion. However, since there are no federal excise tax guidelines to establish a weight rating for a truck body, and because many truck bodies are specialized in nature, sellers do not routinely ascribe GVW ratings to the bodies they sell. In some cases, sellers do not know the GVW of the vehicle on which the body (or similar bodies sold by others) will be mounted. Thus, it may be difficult for a seller of a truck body to determine whether the body meets the "suitable for use" standard for a weight-based exclusion.

### SECTION 3. APPLICATION

.01 Classifications of Truck Body Types. The Service will not challenge a seller's determination that any of the following classifications of truck body types meet the "suitable for use" standard and sales thereof are excluded from the retail excise tax by virtue of § 4051(a)(2):

- (1) Platform truck bodies 21 feet or less in length;

- (2) Dry freight and refrigerated truck van bodies 24 feet or less in length;
- (3) Dump truck bodies with load capacities of 8 cubic yards or less; or
- (4) Refuse packer truck bodies with load capacities of 20 cubic yards or less.

.02 Bodies Not Within a Classification. The Service has established the classifications set forth in section 3.01 after a review of manufacturers' and retailers' data for certain truck body types. A body type described above that does not fall within the classification parameters of its body type (for example, a platform truck body longer than 21 feet), or a body type not described above, may nevertheless still satisfy the "suitable for use" standard if the seller can establish that, pursuant to § 145.4051-1(a)(4), the truck body has practical and commercial fitness for use with a vehicle having a GVW of 33,000 pounds or less.

#### SECTION 4. EFFECTIVE DATE

This revenue procedure is effective for sales on or after April 4, 2005. In the case of sales before April 4, 2005, the Service will not challenge sellers who take positions consistent with this revenue procedure with respect to sales of truck bodies described in section 3.01.

#### DRAFTING INFORMATION

The principal author of this revenue procedure is Theodore N. Margopolos of the Office of Associate Chief Counsel (Passthroughs & Special Industries).

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